

13. MULTILLOCATION EMPLOYERS

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The determination of the proper scope of a bargaining unit when the employer operates more than one plant or establishment often presents special problems. As we have seen, Section 9(b) empowers the Board to decide in each case whether the unit appropriate for bargaining purposes shall be the employer unit, the craft unit, the plant unit, or a subdivision thereof.

The scope of the unit sought by the petitioner is relevant but cannot be determinative of the unit (see sec. 13-1000 *infra*). So when a union seeks a presumptively appropriate unit e.g., a single facility or an employerwide unit, it is the employer's burden to rebut the presumption. See, e.g., *Greenhorne & O'Mara, Inc.*, 326 NLRB 514 (1998) (employerwide unit presumptively appropriate).

A number of factors bear on the unit determination in a multilocation situation; indeed, they bear striking resemblance to the factors discussed in the preceding chapter. Assuming the union is seeking a single location unit, these include past bargaining history; the extent of interchange of employees; the work contacts existing among the several groups of employees; the extent of functional integration of operations; the differences, if any, in the products or in the skills or types of work required; the centralization or lack of centralization of management and supervision, particularly in regard to labor relations, the power to hire, discharge, or affect the terms and conditions of employment; and the physical and geographical location in relation to each other. These factors must necessarily be weighed in resolving the unit contentions of the parties. See, for example, *Alamo Rent-A-Car*, 330 NLRB 897 (2000); *Novato Disposal Services*, 328 NLRB 820 (1999) and *R & D Trucking, Inc.*, 327 NLRB 531 (1999), both finding that the single facility presumption was rebutted; *RB Associates*, 324 NLRB 874 (1997), single facility presumption not rebutted; *J&L Plate*, 310 NLRB 429 (1993).

The general rule is that a single-plant unit is presumptively appropriate, unless the employees at the plant have been merged into a more comprehensive unit by bargaining history, or the plant has been so integrated with the employees in another plant as to cause their single-plant unit to lose its separate identity. *Cargel, Inc.*, 336 NLRB No. 118 (2001); *New Britain Transportation Co.*, 330 NLRB 397 (1999). *Centurion Auto Transport*, 329 NLRB 34 (1999). *Kendall Co.*, 184 NLRB 847 (1970); *Kent Plastics Corp.*, 183 NLRB 612 (1970); *National Cash Register Co.*, 166 NLRB 173 (1967); *O'Brien Memorial*, 308 NLRB 553 (1992); and *Passavant Health Center*, 313 NLRB 1216 (1994) (health care institution). For a recent case in which this presumption was rebutted, see *Waste Management Northwest*, 331 NLRB No. 51 (2000). See also *Oklahoma Installation Co.*, 305 NLRB 812 (1991), for a discussion of multisite units in the construction industry. See *Acme Markets, Inc.*, 328 NLRB 1208 (1999).

An employerwide unit is also presumptively appropriate.

With this in mind, it follows that geographic separation of plants (*Capital Bakers*, 168 NLRB 904, 905 (1968)); substantial authority of local management (*Equitable Life Assurance Society*, 192 NLRB 544 (1971)); the absence of any bargaining history on a broader basis (*Transcontinental Bus System*, 178 NLRB 712 (1969)); lack of substantial interchange or transfer of employees (*Rohm & Haas Co.*, 183 NLRB 147 (1970)), and the fact that no labor organization is seeking to represent a more comprehensive unit (*Welsh Co.*, 146 NLRB 713 (1964)), are factors customarily relied on for finding a single-plant unit appropriate. For other cases dealing with these issues see *Bowie Hall Trucking*, 290 NLRB 41 (1988); *Esco Corp.*, 298 NLRB 837 (1990); and *Executive Resources Associates*, 301 NLRB 400 (1991).

The same general rule is applicable also to retail chain store operations. At one time the Board's policy generally was to determine the appropriate unit in retail chain store industry on the basis of being coextensive with the employer's administrative division or the geographic area in question. This was

changed in *Sav-On Drugs*, 138 NLRB 1032 (1962), which modified the preexisting policy to apply the rule that a proposed unit, which is confined to one of two or more retail establishments making up an employer's retail chain, is either appropriate or not in the light "of all the circumstances in the case." *Id.* at 1033. This does not make the extent of organization the "decisive factor," but, as in manufacturing and any other multiplant enterprises, means that "a single location or a grouping other than an administrative division of geographical area may be appropriate."

This means that the question of appropriateness of a unit is not decided "by any rigid yardstick" but by examining all the relevant circumstances. *Frisch's Big Boy Ill-Mar, Inc.*, 147 NLRB 551, 552 (1964). By way of clarification of the rule announced in *Sav-On Drugs*, it was pointed out in *Frisch's* that the rule in multiplant situations was applicable to multistore situations; i.e., a single-plant unit is presumptively appropriate unless it is established that the single plant has been effectively merged into a more comprehensive unit so as to have lost its individual identity. See also *Walgreen Co.*, 198 NLRB 1138 (1972); *Gray Drug Stores*, 197 NLRB 924 (1972); *Haag Drug Co.*, 169 NLRB 877 (1968). *V.I.M. Jeans*, 271 NLRB 1408 (1984). In *Great Atlantic & Pacific Tea Co.*, 153 NLRB 1549 (1965), applying the *Sav-On Drugs* rule, a multistore unit was found solely appropriate on the basis of an established bargaining relationship and other factors pertinent to a unit determination. Compare *Twenty-First Century Restaurant*, 199 NLRB 881 (1971), and *McDonalds*, 192 NLRB 878 (1971).

It was pointed out in *Haag Drug*, *supra*, that a group of retail outlets could also constitute an appropriate bargaining unit if there were a sufficient degree of geographic coherence and common interests of the employees in the outlets. And see *NLRB v. Carson Cable TV*, 795 F.2d 879 (9th Cir. 1986), which illustrates the principle that the single facility presumption is inapplicable when a union petitions for a multifacility unit.

Even if there are some factors supporting a multiplant or multistore unit, the appropriateness of such a unit does not establish the inappropriateness of a smaller unit. *McCoy Co.*, 151 NLRB 383, 384 (1965). It also follows that the appropriateness of a storewide unit does not establish a smaller unit as appropriate. *Montgomery Ward Co.*, 150 NLRB 598 (1965). Thus, although the optimum unit for collective bargaining may well be citywide in scope, a union is not precluded from seeking a smaller unit when the unit sought is in and of itself also appropriate for collective bargaining in light of all the circumstances. *Frisch's Big Boy Ill-Mar, Inc.*, *supra*.

On September 28, 1995, the Board published a proposed rule on the appropriateness of single location bargaining units. Specifically, the proposal stated that an unrepresented single location unit shall, absent extraordinary circumstances, be found appropriate provided that there are 15 or more employees, that no other location is located within 1 mile, and that a supervisor is present at the location for a regular and substantial period. The Board later decided to withdraw the proposed rule.

We now direct our specific attention to the individual factors previously cited in multiplant and multistore situations:

13-100 Central Control of Labor Relations

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The fact that several plants or stores are subject to identical personnel and labor relations policies, which are determined at the employer's principal office, have been cited to support multilocation determination. *Purity Supreme, Inc.*, 197 NLRB 915 (1972); *Dan's Star Market*, 172 NLRB 1393 (1968); *McCulloch Corp.*, 149 NLRB 1020 (1964); *Mid-West Abrasive Co.*, 145 NLRB 1665, 1667-1668 (1964); *Barber-Colman Co.*, 130 NLRB 478, 479 (1961). Similarly, administrative integration of the employer's operations under unified control and centralized control of labor relations are factors given significant weight in favor of a multilocation unit. *Novato Disposal Services*, *supra*; *R & D Trucking, Inc.*, *supra*; *Twenty-First Century Restaurant*, *supra*; *Mary Carter Paint Co.*, 148 NLRB 46 (1964); *Universal Metal Products Corp.*, 128 NLRB 442 (1960). Compare *Cargell, Inc.*, 336 NLRB No. 118 (2001), *supra*, where the Board majority

found “significant local autonomy over labor relations sufficient for a single unit.” In *Twenty-First Century Restaurant*, supra at 882, the Board commented:

In our opinion it is significant that all of the franchised food outlets of the Employer conduct business under standardized policies and procedures subject to close centralized controls. It is clear that the location manager is vested only with minimal discretion with respect to labor relations matters and the method of operation, and the exercise of his discretion is carefully monitored by the field supervisor who visits each location daily and the general manager who also makes frequent visitations. In sum, any meaningful decision governing labor relations matters emanates from established corporatewide policy, as implemented by the general managers and field supervisors. See also *Waste Management Northwest*, 331 No. 51 (2000).

Compare *Red Lobster*, 300 NLRB 908 (1990).

13-200 Local Autonomy

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Local autonomy of operations will militate toward a separate unit. *Angelus Furniture Mfg. Co.*, 192 NLRB 992 (1971); *Bank of America*, 196 NLRB 591 (1972); *Parsons Investment Co.*, 152 NLRB 192 (1965); *J. W. Mays, Inc.*, 147 NLRB 968 (1964); *Thompson Ramo Wooldridge, Inc.*, 128 NLRB 236 (1960). *D&L Transportation*, 324 NLRB 160 (1997). In *Angelus Furniture*, supra, the individual store manager could he said to represent “the highest level of supervisory authority present in the store for a substantial majority of time.” See also *Grand Union Co.*, 176 NLRB 230 (1969); *Red Lobster*, supra. Compare *V.I.M. Jeans*, supra; *R & D Trucking*, supra.

In *New Britain Transportation Co.*, 330 NLRB 397 (1999), the Board found that the existence of centralized administration and control was not inconsistent with finding sufficient local autonomy to warrant a single location.

13-300 Interchange of Employees

420-5027 et seq.

440-3300

Interchange among employees is a frequent consideration. Like the other factors, it is considered in the total context. *Gray Drug Stores*, supra; *Carter Camera Shops*, 130 NLRB 276, 278 (1961). Thus, for example, where, except for the rare instance of a new store opening, employees were not transferred from the store in question to another store, a unit confined to the one store was found appropriate. This determination was made in the face of countervailing factors. *J. W. Mays, Inc.*, supra at 970. See *Cargell, Inc.*, 336 NLRB No. 118 (2001); *Van Lear Equipment, Inc.*, 336 NLRB No. 114 (2001); *Bowie Hall Trucking*, 290 NLRB 41 (1988); cf. *Globe Furniture Rentals*, 298 NLRB 288 (1990). See also *Courier Dispatch Group*, 311 NLRB 728 (1993). For discussion of interchange in a health care setting see *O'Brien Memorial*, 308 NLRB 553 (1992).

In *J&L Plate*, 310 NLRB 429 (1993), the Board found that minimal employee interchange and lack of meaningful contact between employees at the two facilities diminishes the significance of the functional integration and distance between the facilities. See also *Alamo Rent-A-Car*, 330 NLRB 897 (2000); *RB Associates*, supra. Compare *First Security Services Corp.*, 329 NLRB 235 (1999). *R & D Trucking*, supra; *Novato Disposal Services*, 328 NLRB 820 (1999), supra; and *Macy's West, Inc.*, 327 NLRB 1222 (1999).

In *New Britain Transportation Co.*, 330 NLRB 397 (1999), supra, the Board found that the single facility presumption was not rebutted by evidence of interchange that was presented in aggregate form rather than as a percentage of total employees.

13-400 Similarity of Skills

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The similarity or dissimilarity of work skills has some bearing, along with the nature of any work performed, in deciding on whether a multiplant alone is appropriate. Thus, where similar classifications existed and similar work was being performed at two separately located plants, these, in addition to the consideration of multiplant bargaining history, weighed the balance in favor of finding only a two-plant unit appropriate. *Cheney Bigelow Wire Works*, 197 NLRB 1279 (1972). See also *R & D Trucking*, supra, and *Greenhorne & O'Mara*, supra, and *Waste Management Northwest*, 331 NLRB No. 51 (2000).

13-500 Conditions of Employment

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Working hours, pay rates, the nature of the employer's operations, and indeed all terms and conditions of employment are factors in this area of unit determination. A difference in working hours in each store was one among a number of factors considered. *V. J. Elmore 5 Stores*, 99 NLRB 1505 (1951). A difference in rates of pay was a factor, among others, in reaching the ultimate conclusion. *Miller & Miller Motor Freight Lines*, 101 NLRB 581 (1953). The fact that airport operations were "functionally distinct" from the employer's other operations in the area was taken into account. The airport operations involved the preparation and supplying of cooked meals for various airline companies which were prepared, brought to the airport, and loaded on airplanes by employees. The employer's other operations were restaurants in the same general area. In this context, a unit confined to the airport employees was found appropriate. *Hot Shoppes, Inc.*, 130 NLRB 138, 141 (1961). But see *Globe Furniture Rentals*, supra, finding a multilocation unit appropriate. See also *Greenhorne & O'Mara*, supra; and *Novato Disposal Services*, 328 NLRB 820 (1999), supra.

13-600 Supervision

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Whether the employees at different plants or stores share common supervision is a consideration where more than one plant, facility, or store is involved. Thus, where a store supervisor and the store manager of a store had direct control over the hiring and discharging of employees in one store, assigned work, approved work schedules and time off, and settled customer complaints, a unit limited in scope to that store was an appropriate unit within Board policy. *Purity Food Stores*, 150 NLRB 1523, 1527 (1965). See also *Alamo Rent-A-Car*, 330 NLRB 897 (2000); *Penn Color, Inc.*, 249 NLRB 117 (1980), and *Renzettis Market*, 238 NLRB 174 (1978). See also *First Security Services Corp.*, supra, and *Courier Dispatch Group*, supra. Compare *Novato Disposal Services*, supra; and *Macy's West*, supra.

13-700 Geographical Separation

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Geography is frequently a matter of significance in resolving these issues. Thus, plants which are in close proximity to each other are distinguished from those which are separated by meaningful geographical distances. This was among the factors enumerated in deciding the appropriateness of a single-plant unit where 20 miles separated it from another plant. Although not a large distance, this geographical separation added to lack of substantial interchange; the absence of a bargaining history and the fact that no labor organization sought to represent a multiplant unit were held to warrant a single-plant unit. *Dixie Belle Mills*, 139 NLRB 629, 632 (1962). See also *Van Lear Equipment, Inc.*, 336 NLRB No. 114 (2001). Compare

Barber-Colman Co., supra, in which a plant 43 miles distant was included in what would otherwise have been a three-plant unit because of the functional integration of operations and centralized management of labor matters. See also *Novato Disposal Services*, supra, and *Macy's West, Inc.*, supra. But see *Esco Corp.*, 298 NLRB 837 (1990).

In *Capital Coors Co.*, 309 NLRB 322 (1992), the Board denied an employer's request for review of a decision in which the Regional Director found two plants to be a single unit even though they were 90 miles apart. Here the union had sought a single unit of the two plants.

In *D & L Transportation* 324 NLRB 160 (1997), the Board found a single bus terminal unit appropriate where *inter alia*, the other terminals were between 3 and 21 miles apart. See also *New Britain Transportation*, 330 NLRB 397 (1999) (separations of 6 and 12 miles).

13-800 Plant Integration and Product Integration

420-2969 et seq.

420-4600

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A distinction exists between plant integration and product integration. While operations may be integrated among several plants with respect to executive, managerial, and engineering activities, countervailing factors may nonetheless favor the appropriateness of a single-plant unit. "[P]roduct integration is becoming a less significant factor in determining an appropriate unit because modern manufacturing techniques combined with the increased speed and ease of transport make it possible for plants located in different States to have a high degree of product integration and still maintain a separate identity for bargaining purposes." *Black & Decker Mfg. Co.*, 147 NLRB 825, 828 (1964). In that case, the employer engaged in the manufacture of power tools at plants located 24 miles apart. The Board was mindful of the existence of product integration and that the interchange of employees between the two plants was "more than minimal." However, these circumstances were counteracted by a "relatively wide geographical separation," substantial autonomy reflected by the control exercised by departmental managers and foremen in day-to-day operations, the absence of any bargaining history, and the fact that no labor organization was seeking a larger unit. It should be noted parenthetically that the latter two factors reflect a constant refrain in unit determinations. But compare *Eastman West*, 273 NLRB 610 (1984). See also *Lawson Mardon U.S.A.*, 332 NLRB No. 122 (2000).

Although the integration of two or more plants in substantial respects may weigh heavily in favor of the more comprehensive unit, it is not a conclusive factor, particularly when potent considerations support a single-plant unit. In this connection, see also *Dixie Belle Mills*, supra, and *J&L Plate*, 310 NLRB 429 (1993).

The highly integrated nature of particular industries has caused the Board to find that a broader unit is optional. See *New England Telephone Co.*, 280 NLRB 162 (1986) (system wide unit for each department in public utility); *Inter-Ocean Steamship Co.* 107 NLRB 330 (1954) (fleetwide unit in the maritime industry). With respect to maritime, see also *Moore-McCormack Lines*, 139 NLRB 796 (1962), in which special circumstances supported a finding that a fleetwide unit was not appropriate. Accord: *Keystone Shipping Co.*, 327 NLRB 892 (1999). For a discussion of functional integration in automobile rental industry, see *Alamo Rent-A-Car*, 330 NLRB 897 (2000).

See also Chapter 15-280.

13-900 Bargaining History

420-1200

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The pattern of bargaining, as any study of bargaining unit principles will readily indicate, plays a significant role in all phases of unit determination, including, of course, the resolution of questions

pertaining to single-unit or multilocation unit scope. By way of illustration, we mention three of the many cases involving this factor:

Where a retail chain bargained in citywide units in other cities, this fact was accorded considerable weight in arriving at the unit determination. *Spartan Department Stores*, 140 NLRB 608, 610 (1963).

A bargaining history on a chainwide basis militated in favor of the more comprehensive bargaining unit. *Meijer Supermarkets*, 142 NLRB 513 (1963).

A “fairly sketchy history of bargaining in two units” was insufficient to rebut other evidence supporting the sole appropriateness of a three-plant unit. *Coplay Cement Co.*, 288 NLRB 66 (1988).

It becomes apparent from a reading of decisions involving multilocation contentions that invariably an interaction of the factors enumerated above necessarily occurs.

13-1000 Extent of Organization

420-4600

420-6280 et seq.

440-3300

This area of substantive law has received the specific attention of the courts, including the United States Supreme Court. Generally, the courts have enforced Board orders based on findings in given circumstances of single-location units in multilocation enterprises, despite contentions that the Board acted in derogation of the ban in Section 9(c)(5) on giving controlling weight to extent of organization. Thus, the Fourth Circuit, in discussing this type of unit determination and considering the factual elements, had occasion to state: “[T]he office operates in an isolated manner, with little or no contact with other branch offices. . . . We cannot say that a single office is an arbitrary choice. . . . At most, the extent of organization was only one of the factors leading to the Board’s decision, not the controlling one.” *NLRB v. Quaker City Life Insurance Co.*, 319 F.2d 690, 693–694 (4th Cir. 1963)..

In its analysis of the facts, the Third Circuit observed that “The grouping of two district offices was founded on cogent geographical considerations.” *Metropolitan Life Insurance Co. v. NLRB*, 328 F.2d 820 (3d Cir. 1964).

The Sixth Circuit pointed out that “Geographical considerations were not ‘simulated grounds’ but the actual basis for the Board’s decision.” *Metropolitan Life Insurance Co. v. NLRB*, 330 F.2d 62 (6th Cir. 1964). See also the Ninth Circuit opinion in *NLRB v. Carson Cable TV*, 795 F.2d 879 (9th Cir. 1986).

Finally, this issue reached the highest court, in *Metropolitan Life Insurance Co. v. NLRB*, 380 U.S. 438 (1965), the Supreme Court reversed an unfavorable decision of the First Circuit, 327 F.2d 906 (1964). The circumstances attending this expression by the Supreme Court were as follows.

The First Circuit, disagreeing with the Board’s finding, had held, in the light of the unarticulated basis of decision and what appeared to it to be inconsistent determinations approving units requested by the union, that the only conclusion that it could reach was that the Board had made extent of organization the controlling factor in violation of the congressional mandate. The Supreme Court, declining to accept the First Circuit’s holding that the only possible conclusion was that the Board had acted contrary to the ban on “extent of organization” in Section 9(c) (5), remanded the case to the Board for the purpose of disclosing the basis of its order and to “give clear indications that it has exercised the discretion with which Congress has empowered it.” The Court added that the Board may, of course, articulate the basis of its order “by reference to other decisions or its general policies laid down in its rules and its annual reports, reflecting its ‘cumulative experience.’”

Restating its policy in *Metropolitan Life Insurance Co.*, 156 NLRB 1408, 1418 (1966), the Board stated:

In making its determination the Board applied the usual tests to measure the community of interest of the employers involved: common working conditions a clearly defined geographical area sufficiently inclusive and compact to make collective bargaining in a single unit feasible and the absence of any substantial interchange with employees or offices outside the stated areas. As the units are thus

appropriate under traditional criteria, the fact that we give effect to the Union's request certainly does not mean that our decision is controlled by the extent of the Union's organization, which would be contrary to the mandate of Section 9(c)(5).

It should be pointed out that, when a union requested a single unit in which only two of the three divisions would be represented, the Board characterized the request as one which asked "for neither fish nor fowl," and found instead a unit which would represent "some geographic or administrative coherence." See discussion in *State Farm Mutual Automobile Insurance Co.*, 158 NLRB 925 (1966).

For additional discussion see sections 12-140, 12-239, and 12-300.

13-1100 Health Care

401-7575

470-8500

The statutory admonition against proliferation of bargaining units in health care prompted the Board to apply a somewhat different standard on multilocation v. single-location unit questions. In *Manor Healthcare Corp.*, 285 NLRB 224 (1987), the Board announced that it would apply the single-facility presumption in health care. See also *Visiting Nurses Assn. of Central Illinois*, 324 NLRB 55 (1997); *Mercy Health Services North*, 311 NLRB 367 (1993). That presumption can however, "be rebutted by a showing that the approval of a single-facility unit will threaten the kinds of disruptions to continuity of patient care that Congress sought to prevent when it expressed concern about proliferation of units in the health care industry." *Mercywood Health Building*, 287 NLRB 1114 (1988). In that case, the Board found a single facility appropriate. Compare *West Jersey Health System*, 293 NLRB 749 (1989). Under the Board's Rules on health care bargaining units, this issue is left to adjudication. 284 NLRB 1527, 1532.

See other health care issues discussed and cross-referenced in section 15-170.

